

103^D CONGRESS
1ST SESSION

S. 771

To provide a limited exception to the restriction on foreign ownership and control of the voting interest in United States air carriers.

IN THE SENATE OF THE UNITED STATES

APRIL 2 (legislative day, MARCH 3), 1993

Mr. DANFORTH introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To provide a limited exception to the restriction on foreign ownership and control of the voting interest in United States air carriers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Airline Investment Act
5 of 1993”.

6 **SEC. 2. FOREIGN INVESTMENT IN AIR CARRIERS.**

7 (a) DEFINITION OF CITIZEN OF THE UNITED
8 STATES.—Section 101(16) of Federal Aviation Act of
9 1958 (49 App. 1301(16)) is amended by striking “and in

1 which” and all that follows and inserting in lieu thereof
2 “and to which either of the following apply:

3 “(i) at least 75 percent of the voting inter-
4 est of the corporation or association is owned or
5 controlled by persons who are citizens of the
6 United States or of one of its possessions; or

7 “(ii) at least 51 percent of the voting inter-
8 est of the corporation or association is owned or
9 controlled by persons who are citizens of the
10 United States or of one of its possessions, and
11 the country of nationality of each non-United
12 States citizen who owns or controls any voting
13 interest of the corporation or association imple-
14 ments, through its laws and enforcement, an
15 open skies agreement with the United States.”.

16 (b) DEFINITION OF OPEN SKIES AGREEMENT.—Sec-
17 tion 101 of the Federal Aviation Act of 1958 (49 App.
18 U.S.C. 1301) is amended by inserting immediately after
19 paragraph (30) the following new paragraph:

20 “(30A) ‘Open skies agreement with the United
21 States’ means an agreement between the United
22 States and one or more other countries in which
23 each such other country guarantees to the corporate
24 and other citizens of the United States the following:

1 “(A) Open entry for air carriers of the
2 United States on all air transportation routes
3 to and from such country.

4 “(B) Unrestricted capacity and frequency
5 for air carriers of the United States on all such
6 routes.

7 “(C) Unrestricted air transportation route
8 and traffic rights for air carriers of the United
9 States between any point in the United States
10 and any point in such country, including no re-
11 strictions as to intermediate points and points
12 beyond, change of gauge, routing flexibility,
13 coterminization, or the right to carry Fifth
14 Freedom traffic.

15 “(D) Double-disapproval pricing for air
16 carriers of the United States providing Third
17 and Fourth Freedom transportation to and
18 from such country.

19 “(E) Liberal arrangements for charter air
20 carriers of the United States that are at least
21 as unrestricted as arrangement for the charter
22 air carriers of any other country, regardless of
23 the origin of the flight.

24 “(F) Liberal cargo arrangement, using cri-
25 teria that are at least as comprehensive for all-

1 cargo air service of the United States as those
2 provided for any air carrier that carries persons
3 and also property or mail.

4 “(G) Earnings conversion and remittance
5 arrangement under which air carriers of the
6 United States can convert earnings in such
7 country into the hard currency of any other
8 country and remit to the United States prompt-
9 ly and without restriction.

10 “(H) Open opportunities for air carriers of
11 the United States to share flight codes with air
12 carriers of such country.

13 “(I) The right of air carriers of the United
14 States to perform and control their airport
15 functions in such country that support their air
16 transportation operations to, from, or between
17 points within such country.

18 “(J) Procompetitive provisions on commer-
19 cial opportunities, user charges, fair competi-
20 tion, and intermodal rights.

21 “(K) Nondiscriminatory operation of and
22 access for computer reservation systems, guar-
23 anteed by the country’s explicit commitment.

1 “(L) Equivalent right to financial invest-
2 ment in the air carriers that fly such country’s
3 flag.”.

○